

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	Case No. 23-90784 (CML)
	§	
SMILEDIRECTCLUB, LLC.,¹	§	Chapter 11
	§	
Debtors.	§	(Jointly Administered)

**APPLICATION AND REQUEST FOR ALLOWANCE AND PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM OF NASHVILLE HOCKEY CLUB
LIMITED PARTNERSHIP PURSUANT TO 11 U.S.C. § 503(b)(1)(A)**

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within 21 days from the date this Motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within 21 days from the date this Motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

TO THE HONORABLE CHRISTOPHER M. LOPEZ, UNITED STATES BANKRUPTCY
JUDGE:

The Nashville Hockey Club, Limited Partnership (“Nashville Predators”), file this Application and Request for Payment of an Administrative Expense Claim (the “Application”) pursuant to 11 U.S.C. §§ 503(a) and 503(b)(1)(A). In support of the Application, the Nashville Predators state as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/SmileDirectClub>. The location of Debtor SmileDirectClub, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 1530 Antioch Pike, Antioch, Tennessee 37013.

1334. Venue is proper pursuant to 28 U.S.C. § 1409(a). This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the relief requested by this Application may be granted pursuant 11 U.S.C. § 503(b).

II. FACTUAL BACKGROUND

2. The Nashville Predators assert an administrative expense claim pursuant to 11 U.S.C. § 503(b)(1)(A) against the Debtor, SmileDirectClub LLC, (“SDC”), in the amount of **\$68,750.00** (the “Administrative Expense Claim”) for post-petition fees owed by SDC pursuant to a Sponsorship Agreement.

3. In 2019, SDC and the Nashville Predators entered into a Sponsorship Agreement whereby SDC agreed to be an advertiser and sponsor of the Nashville Predators professional hockey team. Under the agreement, in exchange for the payment of sponsorship fees, “SDC obtained broad exposure for its products and services through a variety of marketing, advertising, and sponsorship benefits provided by the Team, including promotional entitlements during games, features on the Team’s various social media accounts, and logos on the ice and signage in the [arena where the Team plays its home games].”² The parties entered into a new Sponsorship Agreement (“Sponsorship Agreement”) with similar terms on or about July 1, 2022 for a term of two years.

4. SDC failed to make the required sponsorship fees when due during 2023.

5. On September 29, 2023 (“Petition Date”) SDC and its affiliated entities (“Debtors”) filed voluntary petitions under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). As of the Petition Date, a total of \$243,750.00 was due and owing under the Sponsorship Agreement.

² See Debtors’ Motion for Entry of an Order (I) Authorizing Rejection of a Sponsorship Agreement Effective as of October 27, 2023 and (II) Granting Related Relief.

6. The Debtors continued operating as debtors-in-possession following their bankruptcy filing. On October 1, 2023, a payment of \$68,750.00 was due under the Sponsorship Agreement, but the Debtors failed to make such payment.

7. On October 27, 2023, the Debtors filed a Motion for Entry of an Order (i) Authorizing Rejection of a Sponsorship Agreement Effective as of October 27, 2023, and (ii) Granting Related Relief (“Motion to Reject”) [Doc. No. 182]. The Court entered an Order approving the Motion to Reject (“Rejection Order”) [Doc. No. 395] on November 29, 2023.

8. During the pendency of the bankruptcy case and prior to entry of the Rejection Order, the Debtors continued to advertise their business at the Nashville Predators’ games which benefitted the Debtors’ bankruptcy estate. The total value of the services provided to the Debtors after the Petition Date was \$68,750.00.

9. The invoices comprising the Administrative Expense Claim (the “Invoices”) are attached hereto as **Exhibit A**.

III. LEGAL ARGUMENT

10. The Nashville Predators are entitled to an administrative expense claim against the Debtors under Section 503(b)(9) of the Bankruptcy Code, which provides that, after notice and a hearing, there shall be allowed administrative expenses the actual necessary costs and expenses of preserving the estate. 11 U.S.C. § 503(b)(1)(A). SDC has had a sponsorship agreement with the Nashville Predators since 2019 and renewed it in 2022. The Debtors acknowledged that the advertising and sponsorship benefitted SDC. As such, the Nashville Predators have met the requirements for allowance of an administrative expense.

11. The Nashville Predators reserve the right to amend this Application prior to a

hearing.

WHEREFORE, the Nashville Predators respectfully request that the Court enter an order allowing the Administrative Expense Claim in the amount of \$68,750.00 against the Debtors, with payment to be made in accordance with the timing and priorities set forth in the Bankruptcy Code and any Order entered by the Court.

Dated this 10th day of January, 2024.

**BAKER, DONELSON, BEARMAN,
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A Professional Corporation

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on January 10, 2024, a true and correct copy of the foregoing was served via the Court's ECF system on counsel for the Debtors as indicated below and those parties registered to receive ECF notices by the Court.

/s/ Susan C. Mathews
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